- United Cable L.A. newbuild hits snag
- Nabu Net eyeing return to U.S.
- Financing breakthrough in Detroit
- 1984 system sales roundup

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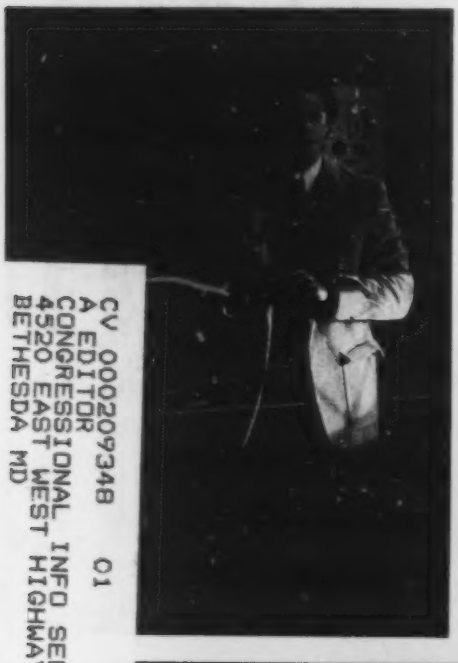
CableVision™

The news and features weekly of the cable television industry

February 18, 1985



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Selling Choice:

The cable juggernaut is under way

Leading the week.....11-23

United Cable of L.A.

United Cable Television of Los Angeles Inc. has told the city it will not build its $60 million East San Fernando Valley franchise unless the city grants the company a 10-year renewal of the franchise. It expires in January 1987.

Indictments

Seven indictments were handed down against Cox Cable's Virginia Beach system for violations of Virginia's anti-obscenity statute for carrying The Playboy Channel.

Nabu to be marketed

Amway Corp. will begin to market Nabu in Ottawa in the first step that is hoped will lead to a major push in the US.

CommuniCom

In federal bankruptcy proceedings on Feb. 12, CommuniCom, Los Angeles' largest cable system, was allowed to borrow an additional $1.75 million to keep the company operating until April 19.

Tall task

The Federal Communications Commission gets input from Congress in implementing the act in a fashion consistent with legislative intent, as the cable industry, Justice Department and cities all tout their own definitions of "effective competition" and "basic cable service."

CCI campaign off and running

The Council for Cable Information's long-awaited cable image-building advertising campaign kicks off. The eight-week $6 million, national push features the theme line "Cable: Not just more choice, your choice."

TNN anniversary concert celebration

The Nashville Network will celebrate the start of its third year by presenting a Radio City Music Hall concert March 7 and premiering three new series on the service the following month.

TCI judgment revision

The damage award against Tele-Communications Inc. in the Jefferson City, Mo., lawsuit may turn out to be closer to $33 million or $36 million instead of the widely reported $57 million, according to attorneys from both sides.

CNN chief found

Cable News Network Beirut Bureau Chief Jeremy Levin, missing and presumed kidnapped by Moslem terrorists more than 11 months ago, was found Feb. 14 at a Syrian Army base in Ballbek, Lebanon.

Beer and wine ban goes flat

The movement to ban beer and wine advertising from television and radio appears to have lost momentum following the Feb. 4 hearing before the Senate Subcommittee on Alcoholism and Drug Abuse.

Twelve states claim pole rate authority

The Federal Communications Commission Feb. 11 released its latest list of states that have claimed the authority to regulate pole attachment rates.

Barden has the bucks

Don Barden of Barden Cablevision says he has the financial commitment to begin wiring the city by as early as this summer, provided Detroit officials agree to the concessions he is seeking.

Showtime/TMC study: VCR no threat to cable

A $100,000 study by the pay service finds that cable penetration is higher in VCR households, with 35 percent of VCR owners subscribing to a pay service. It also finds that VCR households are more likely to be multipay subscribers and less likely to disconnect cable service.

COVER STORY

About the cover

The Council for Cable Information's long-awaited, $6 million cable image-building campaign is off and running. (See **Leading the week**)

Cable brokers' report

Cable brokers look back on 1984 as a great year and look forward to 1985 as an even better year to sell systems. Editor Victoria Gilz reports that there is "a strong foundation at the heart of the cable industry" on pages 28-32.

Review **24**

Bob DiMatteo reviews HBO's new premiere film *Finnegan Begin Again*. Mary Tyler Moore and Robert Preston star in this sophisticated comedy with a heart.

Departments

Programming 24
Business 34
Stock Market 36
Product News 38
Events 39
People 40
Classifieds 41
Advertisers' Index 46
Cable Stats 48
Readers' Channel 50

Cable Brokers' Report: '84 system sales pace continuing in '85

Brokers agree that 1984 was a great year and 1985 promises more of the same, with cable system prices buoyed by solid demand and strong bottom line performance.

By Victoria Glas

Judging by the upbeat mood of cable brokers, 1984 was a great year to be in cable and an even better year to sell a system.

Confounding the reports of some of the nation's leading newshounds regarding the imminent demise of the cable industry, there was a strong market in the buying and selling of cable systems. Prices are up over 1984 and bankers are clamoring to get a piece of the action.

"As fast as we get listings, we get offers," says Pat Thompson of Denver.

A strong market

True, so much doubt continues to plague the big-city builds, they'd go at fire-sale prices. But if you're talking about small, classic or suburban mid-size plants, they are selling at a premium. Brokers say prices are up from "slightly" to as high as 20 percent over 1983.

Buyers are looking at 45 to 50 percent operating margins, predictable cash flow, inherent population growth and maybe a shot of marketing to boost sales. Never mind transactional banking, pay-per-view and the other Christmas tree ornaments. People are spending good money for plain vanilla cable, to quote TCI's John Sie, and will probably continue to do so in 1985.

A look at Daniels and Associates, the leading broker, shows total volume was $561.2 million in 1984, compared to $608.3 million in 1983. But Daniels' investment banking division did a brisker business, logging $192 million in debt or equity placement, compared to $58 million last year. The number of deals done on the broker side was down slightly from 46 to 43 in 1984.

The disparity had something to do with four transactions exceeding $50 million each in 1983, and two of those were over $100 million. In 1984 there were only two deals over $50 million.

Executive Vice President Phil Hogue says prices were "a little stronger in 1984." While small system prices were down, he says, older, urban systems were reaching their peak. Buyers were looking for systems with 10,000 to 25,000 subscribers.

Hogue believes the market will continue to be positive as the year takes off with a "vigorous economy, manageable interest rates and a conducive tax situation."

Taking the average, hypothetical, healthy cable system as an example, Hogue figures a buyer can count on a 10 percent cash flow increase compounded annually. Some of the growth will come from increasing basic rates from the current average of $9 to the $15 most observers seem to think the market will bear. If one were to add in more specula-

	Year	Brokerage System Sales (in millions)	Number of Deals	Debt or Equity Placement (in millions)
Daniels & Associates	83	$ 608.3	46	$ 58.0
	84	561.2	43	192.0
Communications Equity Associates	83	261.0	31	4.5
	84	256.3	39	86.4
Waller Capital Corp.	83	35.0	N/A	6.0
	84	50.0	5	10.0
Cableinvestments Inc.	83	14.0	N/A	8.0
	84	34.5	10	15.0
Coaxial Brokerage	84	22.0	N/A	N/A
Pat Thompson Co.	83	12.0	N/A	—
	84	14.0	10	—
Charles Greene Associates	83	8.0	5	1.5
	84	11.4	8	1.5
Firstmark Financial Corp.	83	(not active in brokerage in 83)		
	84	4.1	3	—

Daniels & Associates

System Location	Buyer	Seller	Basic Subs	Homes Passed
Cambridge, MD	Simmons Comm.	Bob Precht	4,500	5,700
Calais, ME	—	Dale Wing	1,800	2,000
Breckenridge, CO	Bruce Plankinton	Rock Associates	3,700	3,800
Madison, WI	Complete Channel	US Cable	11,000	23,000
Texkan Communications	Cardiff	CSI	5,100	7,200
Burnsville, NC	Cencom	Ray Miller	2,300	5,000
Buncombe, NC	Cencom	Ray Miller	8,000	15,000
Cape Coral, FL	Alan Gerry	Avatar	14,000	17,500
Boulder City, NV	Tony Moors	Earl Preston	400	500
Smethport, PA	Tele-Media	Terry Palmer	2,010	2,450
Hudson, MI	Triax Cable Inc.	Diversified Services inc.	1,500	—
Redlands, CA	Act II/Daniels	Field Enterprises	19,250	45,000
Chesapeake, VA	TCI	Cross Country	22,000	34,000
Raton, NM	TCI	Rock Associates	4,600	5,300
Tecumseh, OK	Transwestern Video	Teltran Corp.	2,600	1,000
Beckley, WV	Tele-Cable Corp.	Ralph Diehl	2,047	2,614
Piketon, Ohio	Tele-Media Corp.	Whitney Cablevision	3,100	5,000
Hamilton, NJ	TKR Cable	Consolidated Comm.	18,600	30,000
Burns-Hines, OR	ELRA Group	Arlie Olster	1,820	3,500
Deland, FL	Cablevision Industries	Group W	23,000	45,000
Prairieland, IL	Peter Smith & Co.	Prairieland	8,300	13,750
Chicago, IL suburbs	American Cable Sys.	Warner Amex	24,500	48,500
Glasgow, VA	First Carolina Comm.	Nancy Royal	427	651
Amherst, VA	First Carolina Comm.	Nancy Royal	2,250	5,100
Pittsburgh, PA	TCI	Warner Amex	75,000	165,000
Marquette, MI	TCI	Marquette Corp.	6,400	17,000
Yucca Valley, CA	Century Communications	Group W	11,000	12,000
Needles, CA	CP National	Bill Sinkunas	1,200	2,184
Macon, MO	St. Joseph Gazette	George Myrick	2,000	2,800
Watonga, OK	Satellite Syndicated Systems	T&T	2,100	3,800
Huntsville, TX	TCA	TCI	6,700	10,000
Chillicothe & Henry, IL	Dowden Communications	Harvey Reynolds	3,000	4,900
Rawlins, WY	TCI	Group W	4,098	4,448
Oscoda, MI	Rock Associates	ATC	6,741	9,000
Communications Service Inc. (CSI)	CSI Mgmt. Inc. & Liberty Mgmt. Inc.	CSI	160,000	280,000
St. Louis, MO suburbs	Cencom Cable	Warner Amex	38,000	89,000
Bolling AFB	Rite Communications	Mercure	3,000	6,000
W. Palm Beach, FL	Sunbelt Cable	D. Chambers	5,742	27,000
Tulsa, OK	TCI	Midwest Comm.	13,150	25,500
Communities in OK, NM, CO and TX	Satellite Syndicated Systems	Dorate Inc. & Dorate Interstate	12,000	14,000

Executive Vice President Phil Hogue, Daniels and Associates, believes the market will continue to be positive as the year takes off with a "vigorous economy, manageable interest rates and a conducive tax situation."

tive items, like increased revenues from new pricing strategies, sales of remote controls and pay-per-view, the annual growth factor could be as much as 15 percent, Hogue estimated.

The bankers

Hogue added that romancing the cable industry seems to be much on the minds of bankers these days. They like the predictable cash flows and are no longer so worried about competing delivery systems.

Bob Brown, president of Cable-Investments of Denver, calculated that the average cash flow multiple associated with a sale in 1984 was 10.44—with a range of 6.5 to 14 times cash flow. It's a figure that compares nicely with last year's average of 8.4. He credits the decline of interest rates over a year ago for the improvement.

As for all the bad publicity cable suffered through in 1984, you could say sellers must have been crying all the way to the bank about it. Says Brown, the dire reports may have scared off stock market customers, but didn't seem to touch the private market.

Brown agrees with Hogue that banks have become terribly aggressive. Now that they see the payouts coming through on some systems, they all want to get into the act.

Buying and selling

The passage of cable legislation has added an element of "legitimacy," in Brown's words, though it has yet to have an observable effect on prices. The new law means "we are entering a period of less risk," especially as far as the right of renewal is concerned, Brown says.

Rick Michaels, chairman of Communications Equity Associates, based in Tampa, Fla., reported that 1983 was better in terms of total sales volume, but that 1984 was his "best year ever" in terms of net income.

CEA did $261 million in brokered deals in 1983 and $256.3 million in 1984. It raised $86.4 million in debt or equity placement in the most recent year, compared to $4.5 million the year before.

The values of small, classic systems having 1,500 subs or less were down over the high mark of late 1981, says Michaels. Premium prices went for the suburban or "old urban" system with 5,000 to 40,000 subscribers and growth potential. These were selling for an average of 10 times annualized cash flow—near to or at the historical high, says Michaels.

As for the blue-sky systems conceived in the great giveaway era, Michaels sees disaster ahead. "There are attractive urban systems," he says, but some of the well-known big-city builds would sell at a loss today.

Based in New York City, John Waller Capital Corp. managed a healthy $50 million in volume, up $15 million over 1983. President John Waller points out there is a lot of action on the part of the mid-size, entrepreneurial MSOs with 100,000 to 200,000 subscribers.

Rick Michaels, chairman of Communications Equity Associates, based in Tampa, Fla., reported that 1983 was better in terms of total sales volume, but that 1984 was his "best year ever" in terms of net income.

In 1983 bad publicity scared off some, Waller says, but by now "everybody has gotten used to lower pay TV revenues, and they have factored that into the projections.

"Prices were a little higher in 1984 than in 1983," he says. There were many more buyers than sellers and they were a lot more active. Banks and insurance companies are looking at the industry as something "steady and predictable, with a low-risk, modest return at worst, significant appreciation at best."

Banks aren't interested in the fancy extras, either, Waller says. While some may tout a bonanza in pay-per-view revenue potential, "Banks won't buy it," Waller says.

Charles Kadlec of Frazier Gross and Kadlec, a Washington, D.C., broker and appraisal firm, says, "In 1984 there was plenty of money chasing deals. I don't think there will be a shortage of capital in 1985. There's still a lot of

Communications Equity Associates

System Location	Buyer	Seller	Basic Subs	Homes Passed
Victorville, CA	Hi-Desert Cablevision, Ltd.	Times Mirror	8,200	10,750
Byrson City & Robbinsville, NC	N/A	Nantahala Corp.-Limited Partnership	N/A	N/A
Murfreesboro, AR	Satellite Syndicated Systems, Inc.	Curtis Turner	680	715
Alachua, High Springs, Branford, Cross City, Chiefland, Micanopy, McIntosh & Marion & Reddick Co., FL	North Central Florida Cable Associates	American Communications & Television, Inc.	4,800	6,000
New Port Richey & Safety Harbor, FL	Gulfstream Cablevision	Group W Cable, Inc.	4,450	10,300
Trenton & Archer, FL	Mickelson Media	Florida Clearview	590	900
Ripley, Ravenswood, Madison, Point Pleasant, Mount Hope, Alderson & White Sulphur Springs, West Virginia & Prestonsburg, KY	Consolidated Communications Group of West Virginia	Cablentertainment of West Virginia	17,427	24,132
Perris, Murietta Hot Springs, Sunnymead, Morena & surrounding unincorporated areas/Riverside County, CA	American Cable TV of Redlands	Times Mirror	3,220	6,187
Blue Earth & Elmore, MN	Community Tele-Communications Inc. (sub. of TCI)	B.E. Cablevision Inc.	1,535	1,850
Highland Beach, FL	Centel Corp.	Highland Beach Cable TV Thomas Communications Tom Gullett & Doug Shank	600	3,500
Escanaba, Iron Mountain, Ironwood, Calumet & Sault Ste Marie, MI	Bresnan Communications Corp.	Group W Cable	27,789	32,431
Wartburg, Oakdale & Morgan City, TN	Paradigm Communications Inc.-Jim Kingsdale	Morgan County Cablevision, Billy R. Jones & Bert E. Hooper	2,800	4,200
Jasonville, IN	Galaxy Cablevision Inc.	Omni Cable TV Corp.	375	1,000
De Queen, AR & Wright City, OK	Satellite Syndicated Systems Inc.	Television Cable Co. Kyle Moore	1,900	2,275
Franklin, Livermore, Calhoun Hardinsburg, Cloverport, Hawesville, KY, White House, TN	Midwest Cable Inc.	Dear Publication & Radio Inc.	4,025	8,600
Manchester, VT (28 communities in & around)	Gateway Cablevision	Justin Mueller EMCO CATV Inc. & Granville Cablevision Inc.	7,600	10,735
Comanche, TX	Oliver Hensler Rockport Cable TV	Midwestern Company Inc.	1,800	N/A
St. Paul, Lebanon & Honakee, VA & Mountain City, TN	CCG-A wholly owned subsidiary of Consolidated Communications Group	American Cablesystems of VA & TN Inc.	5,300	7,100
Plantation, FL	American Cablesystems of Florida	Group W Cable Inc.	6,300	13,000
Reed City & Evart City, MI	Centel Corp.	Osceola Cable TV	1,300	1,700
Immokalee, La Belle, Port La Belle, Hendry Co. & Collier Co., FL	Century Telephone Enterprises Inc.	Warner Amex	2,000	4,000
Mobile County, AL	The Essex Group	Bayou Cablevision Inc.	4,000	7,000
Burlington & New Straum, KS	Earl Hurst HSI Communications Inc. of Osage City, KS	Television Cable Co. Kyle Moore	1,270	1,350
Marlin, TX	Southern Cablevision Corp.	Times Mirror	1,900	2,900
Deltona, Volusia Co., FL	Cablevision Industries of Florida Inc.	Acton CATV Inc.	1,900	4,900
Radnor, PA	Radnor Cablevision Inc. (an affiliate of Adelphia Communications Corp.)	Storer Communications inc.	3,300	10,200
Toms River (15 other contiguous areas located in Ocean County, NJ)	Adelphia Communications Corp.-Limited Partnership	Clear Television Cable	57,000	75,000
Bellaire, Neffs & Glencoe, OH	TCI Growth Inc.	Bellaire Antenna Systems Inc., John Nowak	3,200	3,605
Cities of Westlake, Moss Bluff, De Quincy, Vinton, Welsh, Roanoke, Lake Arthur, Kinder, Oberlin & Elton, LA	Cencom Cable Associates	Louisiana Cablevision	7,700	16,400
Ambler, Whitemarsh, Whitpain, Lower Gwynedd & Springfield Township, PA	Adelphia Communications Corp.	Telecable of Montgomery County	5,200	10,300
Atlantic City & Brigantine, NJ	Cablentertainment Inc.	McGinty-Atlantic Coast TV Cable Corp.	22,000	28,500
Red Springs, Elizabethtown, Fairmont, Pembroke, Raeford, St. Paul, NC	Alert Cable TV of NC Inc. (a subsidiary of Wometco)	The Jones Group	3,870	N/A
La Grange, Crestwood, Orchard Grass Hills, & unincorporated areas of Oldham Co., KY	Daniels Ltd. Partnership ACT II	Oldham County Cable Television Co. Inc.	2,800	N/A
Giddings, La Grange, Wilmer, Schulenburg, Hallettsville, TX	Clive Runnels	Television Cable Co. Kyle Moore	5,200	N/A
Clover, North Carolina	Helicon Corp.	Mills Communication, Inc.	500	N/A
Edwardsville, Troy, Highland, Granite City, Pontoon Beach,	First Carolina Communications Inc.	South-Western Cable TV Inc.	21,400	N/A

System Location	Buyer	Seller	Basic Subs	Homes Passed
Mitchell, Millstadt, Dupo, Waterloo, Columbia, Marysville, Collinsville, Caseyville, Hollywood Heights, Glen Carbon, IL				
Bridgeport, Stratford, Woodbridge, Fairfield, Orange & Milford, CT	Cablevision Systems of Southern Connecticut	Bridgeport Cable Television Associates	50,000	N/A
Nine communities in western Oakland County, MI	Greater Michigan Cablevision Inc.	Greater Media Cablevision of Western Oakland County	N/A	N/A

Waller Capital Corp.

System Location	Buyer	Seller	Basic Subs	Homes Passed
Kenova, WV	Armstrong Utilities Inc.	C. K. Video Inc.	9,300	17,000
Larksville, Jackson Township, Plymouth Township & Hunlock Creek Township, PA	Joseph S. Gans, d/b/a Cable TV Company	Valley Video Cable TV Inc. & Shawnee TV Cable Co.	1,500	2,100
Ahoskie & Murphreesboro, NC & Emporia, South Boston & South Hill, VA	VaCar Cablevision Ltd., an affiliate of First Carolina Communications	Corinthian Cable Corp.	8,000	10,000
Terrell, Seagoville, Forney & Balch Springs, TX	Friendship Cable Ltd.	Storer Cable TV of Texas Inc.	4,100	10,000
Northampton Township, PA	Lenfest Bucks Inc., a Lenfest Group Company	CMR Corporation T/A Hampton Cablevision	5,000	6,700

CableInvestments Inc.

System Location	Buyer	Seller	Basic Subs	Homes Passed
Merkel, Roscoe, TX	Little Co.	Vinegaroon Corp.	1,065	1,600
Crescent City, CA	Tidel Partners	Tidel Communications	5,200	7,000
Colville, Chewelah, Kettle Falls, Northport, WA	Tidel Partners	Tidel Communications	3,050	4,000
Oakridge, OR	Tidel Partners	Tidel Communications	1,800	2,400
Rochdale Village, NY	Rochdale Partnership	SATV Corp.	2,350 projected	5,900
Newcastle, Upton & Moorcroft, WY	Cablevision Services	Webb Family	1,770	2,225
Swedesboro, NJ	Signet Communications	Penn Communications	6,000	11,500
Springfield, Chester, Perkinsville, Woodstock, Reading & Windsor, VT	Eastern Communications	Bernard Young, et. al.	5,666	7,941
Peterborough, Jaffrey, Walpole & Charlestown, NH	Eastern Communications	Bernard Young, et. al.	2,681	4,220
Apollo Beach, FL	Orcable, Ltd.	Chase Group	8,000	15,000

Pat Thompson Co.

System Location	Buyer	Seller	Basic Subs	Homes Passed
Sand Point, Clark Fork, Garfield Bay, ID	Northland Communications Inc.	Kootenai Communications Inc.	2,300	N/A
New Hampton, IA	Holiday Cablevision	New Hampton Cablevision Co. Inc.	579	N/A
Wadesboro, Anson County, NC	Cable Management Associates	Cablevision of Wadesboro Inc.	1,200	N/A
Garibaldi, Bay City, Rockaway, OR	Home Communications Inc.	Northwest Cable	1,800	N/A
Boron, Desert Lake, CA	Home Communications Inc.	Kirby Cable TV	800	N/A
Bryson City and Robbinsville, NC	Cable Management Associates	Mid-Atlantic Cable Corp.	1,300	N/A
North Davidson County, NC	Cable Management Associates	North Davidson Cable Inc.	2,100	N/A
Tillamook, OR	Northland Communications Inc.	Tillamook Television Inc.	3,100	N/A
Monument, Woodmoor, Palmer Lake, CO	Cardiff Communications Inc.	Cable West Corp.	675	N/A
Johnston County, NC	Cable Management Associates	Kountry Kablevision of Johnston County Inc.	1,000	N/A

money out there. There have been very few defaults; the track record is good."

The outlook

Kadlec doesn't expect the cable industry to suffer much from possible changes in the tax laws. He says most of the cable limited partnerships not only are tax shelters, but also are income producers. Most of the tax law changes are aimed at high tax shelter vehicles in the oil and gas industry, Kadlec says.

Brokers agree that 1985 looks good for system sales. They expect prices to be as high or higher than they were in

President John Waller of Waller Capital Corp. stated that "Prices were a little higher in 1984 than in 1983." There were many more buyers than sellers and they were a lot more active. Banks and insurance companies are looking at the industry as something "steady and predictable, with a low-risk, modest return at worst, significant appreciation at best."

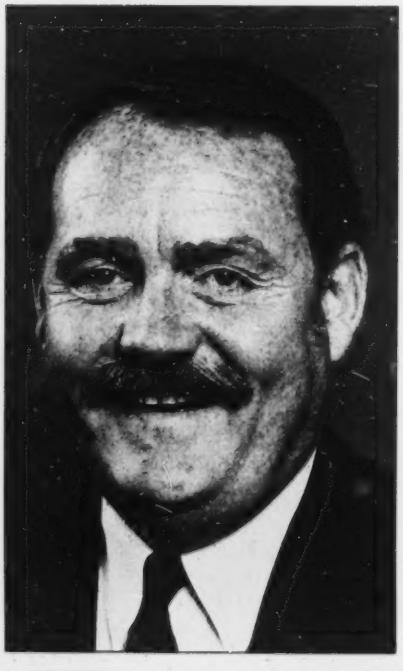
Charles Greene Associates

System Location	Buyer	Seller	Basic Subs	Homes Passed
Correctionville, Danbury, Holstein, Kingsley, Lawton, Moville & Whiting, IA (7 systems)	CMI Cable of Iowa Inc.	Satellite Communications Company of Nebraska Inc.	1,200	2,465
Burlington, Gridley & LeRoy, KS	*HSI Communications Inc.	Television Cable Co. & Coffey County Community TV Co.	1,775	1,980
Limon, CO (1 system)	Crippie Creek Cable Inc.	Vern's TV & Radio	860	1,159
Grape Creek, Bronte, Robert Lee & portions of Tom Green and Coke Counties, TX (2 systems)	West Texas Cablevision Inc.	C&H Services Inc.	1,445	2,300
Valliant, OK (1 system)	Satellite Syndicated Systems Cable Television of the Southwest Inc.	DHL Cable TV Inc.	1,445	2,300
Chattaroy and portions of Mingo County, WV, and portions of Pike County, KY (1 system)	Cable Franchises Inc.	Chattaroy Cable Co. Inc.	868	1,090
Roscoe, Merkel, Tuscola & Buffalo Gap, TX (3 systems)	Big Country Cablevision Inc.	DBL Corp.	1,395	2,505
Coldwater, Bronson, Quincy & various townships in Branch County, MI (1 system)	Michigan Energy Resources Co.	Coldwater Cablevision Inc.	5,000	6,000

*Represented the buyer on this transaction.

Firstmark Financial Corp.

System Location	Buyer	Seller	Basic Subs	Homes Passed
Flora, Rossville and Camden, IN	Columbia Cablevision II, Ltd.	Flora Cable TV Inc., Rossville Cable TV Inc. and Camden Cable TV Inc.	747	N/A
Lakeland, Ray City, Pearson Willacoochee, Hihira, Cecil, and Alapaha, GA	Southeast Cablevision Investors Ltd.	Tri-County Cablevision Inc.	2,447	N/A
Naples, Omaha, Dangerfield, Linden, Lone Star and Hughes Springs, TX	Caddo Cablevision, Ltd.	Caddo Cable Communications Inc., Omaha Cablevision Inc.	2,239	N/A



Bob Brown, president of CableInvestments of Denver, says the dire reports may have scared off stock market customers, but didn't seem to touch the private market.

1984. But what about the longer run?

Pat Thompson tends to the more conservative approach. Dealing mostly in smaller systems, she saw 1984 cash flow multiples ranging from seven to eight times for fully saturated systems, up to 10 to 12 times for systems with a lot of homes to be built.

In her view growth comes from slow increases in subscriber ranks, a stable economy and gradual acceptance among

"As fast as we get listings, we get offers," says Pat Thompson, president of Pat Thompson Co. in Denver.

consumers. She believes that $30 is about the most one can expect to charge for cable service.

Broker Rick Michaels, who happens to have a side business operating cable systems as well, says a buyer should look for opportunities that have the potential of returning a compound rate of return of 25 percent for five years.

He sees increased revenues in the near term from steadily increasing basic rates and pushing extras like remote control, stereos and second sets. Pay-per-view is "way out" on the horizon. In the meantime intelligent operators can generate more cash by tightening up on converter deposits, bad debts, cable thieves and chronically late bill-payers, Michaels says.

A strong foundation

The lesson to be learned from 1984 seems to be that despite all the handwringing about the decline of pay TV sales and the inroads of VCRs, there is a strong foundation at the heart of the cable industry. That's why insiders like Monty Rifkin, Gus Hauser, Bill Bresnan and Bob Rosencrans continue to buy their way back into the game even though prices are on the ceiling.

As Rick Michaels aptly put it, "The same players are sitting down to play poker every day." Maybe they should get credit for knowing something. ■

CABLE STATS

Cable Industry Growth Chart

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	71,137,000	41,971,000	47	26,022,000	30
1986E	87,800,000	68,121,000	39,510,000	45	24,101,000	27
1985E	86,000,000	64,500,000	36,120,000	42	21,672,000	25
1984E	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH

Cable barometer

Television households (TVHH).....84,233,330
Homes passed by cable (HP).....58,274,000
Percent of TVHH passed by cable.....69.2%
Basic cable subs.....32,761,000
Percent of TVHH with basic cable.....38.9%
Percent of HP with basic cable.....56.2%
Pay cable subs.....19,624,000
Percent of TVHH with pay cable.....23.3%
Percent of HP with pay cable.....33.7%
Percent of basic subs with pay cable.....59.9%

Figures are as of Aug. 31, 1984
Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH

Satellite lineup

Satcom III-R (RCA Americom)	**Transponder**
AP News Cable	6
Arts and Entertainment	1,24
Bonneville's Easy Listening (audio)	3
Cable Jazz Network (audio service)	8
CBN Cable Network	8
CNN Headline News/CNN Radio	14
Cinemax (East)	20
(West)	23
Country Coast-to-Coast	3
C-SPAN	19
Dow Jones Cable News (text) (Southern Satellite Systems)	6
Electra	6
EPG (United Video/text)	3
ESPN	7
Eternal Word Television Network	18
Financial News Network	4
Genesis Storytime	8
HBO (East)	20
(West)	13
HTN	16
Keyfax National Teletext Magazine	6
The Learning Channel	16
Lifetime	17
Love Sounds (audio service)	8
Moody Broadcasting Network (United Video/audio service)	3
The Movie Channel (East)	5
MSN—The Information Channel	22
MTV	11
National Jewish Television	18
New England Sports Network	13
Nice and Easy (audio service)	8
Nickelodeon	1
Professional Education Network	16
PTL	2
Reuter Monitor Service	18
Reuter News-View	6
Satellite Radio Network (audio service)	2
SCAN (audio service)	6
Seeburg/Lifestyle Music	3
Showtime (East)	12
(West)	10
SPN	6
Sports Time Cable Network	4
Sportstracker	3
SSS	6
Stardust	3
Star Ship Stereo	6, 8
StarStation	3
UPI Cable News (text)	3
UPI Customized Cable News (text)	6
USA Cable Network	9
(during blackout)	22
Video Hits One	15
The Weather Channel	21
WFMT (United Video/audio service)	3
WGN (United Video)	3

Satcom IV (RCA Americom)	**Transponder**
American Movie Classics	10
Bizner (Viacom)	15
Bravo (ESPN)	2
In-Touch	3
Madison Square Garden	6
National Christian Network	7
Pacific Cable Network	24
Playboy Channel	12
The Prime of Life Network	7
Santa Fe Communications	23
Satellite Jazz Network, KKGO-FM	17
SCAN	3
Sheridan Broadcasting Network	7
The Silent Network	16
SportsVision	9
Star Ship Stereo	3
Trinity Broadcasting Network	17
WPIX	19

Westar III (Western Union)	**Transponder**
Brightstar International	21H
CNN (Cable News Network)	5H
HSC-TV/The BAMC Hour	23H
The Independent News (TIN)	21H
Occasional Transmissions	21H, 23H

Westar IV (Western Union)	**Transponder**
ABC Contract Channel	20V
Atlantic City Horse Racing	6V
Cable News Network (CNN)	16V
Catholic Telecommunications Network of America	11H
Music Magazine	19H
Occasional Transmissions	10V, 21V
Public Broadcasting System	15H, 17H, 21H, 23H
Word of Faith Satellite Network	6V

Westar V (Western Union)	**Transponder**
CBS Contract Channel	7H
Fantasy Unrestricted Network (FUN)	24V
Financial News Network	21H
The Meadows Racing Network	22V
Penn National Racing	15H
Pro-Am Sports System (PASS)	14V
Sports Time Cable Network	21H
The University Network	2V

Note: A company name in parentheses following a service or network designates the transponder owner.
Source: International Thomson Communications Inc

Top 100 MSOs

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc	3,500,000	(2/85)
2.	American Television and Communications Corp	2,500,000	(2/85)
3.	Group W Cable	2,009,000	(12/84)
4.	Cox Cable Communications	1,538,467	(1/85)
5.	Storer Cable Communications	1,471,000	(1/85)
6.	Warner Amex Cable Communications	1,196,000	(12/84)
7.	Times Mirror Cable Television	1,001,848	(12/84)
8.	Continental Cablevision	939,000	(10/84)
9.	Newhouse Broadcasting	896,762	(2/85)
10.	Viacom Cablevision	785,000	(10/84)
11.	United Cable Television	780,000	(12/84)
12.	UA Cablesystems Corp	704,000	(1/85)
13.	Sammons Communications	652,400	(12/84)
14.	Rogers Cablesystems	595,766	(12/84)
15.	Cablevision Systems Development	560,000	(10/84)
16.	Comcast Cable Communications	472,512	(11/84)
17.	Heritage Communications	443,040	(1/85)
18.	Jones Intercable	431,672	(12/84)
19.	Telecable Corp	427,885	(11/84)
20.	Capital Cities Cable	374,000	(1/85)
21.	Wometco Cable TV	304,868	(1/85)
22.	Prime Cable	290,993	(1/85)
23.	Daniels and Associates	285,563	(1/85)
24.	TCA Group	265,462	(1/85)
25.	Multimedia Cablevision	264,193	(2/85)
26.	Centel Cable Television	255,394	(11/84)
27.	American Cablesystems Corp	250,000	(1/85)
28.	McCaw Communications	250,000	(2/85)
29.	Cable Vision Industries	242,870	(1/85)
30.	MacLean Hunter Cable TV	237,903	(10/84)
31.	TeleScripps	220,252	(1/85)
32.	Scripps-Howard	210,225	(10/84)
33.	Adelphia Communications	196,648	(1/85)
34.	Colony Communications	193,209	(10/84)
35.	Century Communications Corp	192,023	(8/84)
36.	Rollins Cableview	189,800	(12/84)
37.	Service Electric Cable TV	189,500	(2/85)
38.	Tribune Cable Communications	187,983	(1/85)
39.	Falcon Cable TV	180,000	(1/85)
40.	Communications Service Inc	179,000	(2/85)
41.	Cablentertainment	174,067	(10/84)
42.	Tele-Media	172,438	(8/84)
43.	Western Communications	152,945	(2/85)
44.	Harte-Hanks Communications	140,853	(12/84)
45.	McDonald Group	139,585	(12/84)
46.	Adams-Russell Communications	137,084	(11/84)
47.	Harron Communications	132,644	(10/84)
48.	Midcontinent Cable Systems Co	128,180	(10/84)
49.	Buckeye Cablevision	121,000	(2/85)
50.	Sutton Capital Group	119,895	(9/84)
51.	Midwest Video Corp	118,102	(12/84)
52.	Harris Cable Corp	112,895	(10/84)
53.	Televents	112,500	(11/84)
54.	Armstrong Utilities	109,962	(1/85)
55.	Summit Communications	96,673	(1/85)
56.	Communications Systems Inc	94,655	(4/84)
57.	Multi-Channel TV Cable	94,334	(10/84)
58.	Greater Media	93,300	(11/84)
59.	Lenfest Group	92,763	(10/84)
60.	Cencom Cable Associates Inc	91,942	(1/85)
61.	TKR Cable	86,000	(10/84)
62.	King Videocable Co	84,485	(1/85)
63.	McClatchy Newspapers	83,447	(10/84)
64.	Palmer Communications Inc	82,691	(1/85)
65.	Perry Cable TV Corp	82,201	(11/84)
66.	The Essex Group	80,556	(10/84)
67.	U.S. Cable Corp	80,000	(10/84)
68.	WEHCO Video	79,046	(12/84)
69.	Omega Communications	74,000	(10/84)
70.	Booth Communications Co	69,879	(1/85)
71.	Cable Management Associates	69,762	(1/85)
72.	Susquehanna Broadcasting	69,614	(1/85)
73.	Pencor Services Inc	66,375	(12/84)
74.	Sonic Cable TV	63,930	(8/84)
75.	Acton Corp	63,274	(1/85)
76.	Clear TV Cable Associates	60,231	(8/84)
77.	Selkirk Communications	58,500	(2/85)
78.	Omni Cable TV	56,813	(1/85)
79.	Marsh Media	56,552	(1/85)
80.	Coaxial Communications	55,748	(1/85)
81.	National Telecommunications	51,300	(12/84)
82.	Simmons Communications	48,386	(12/84)
83.	Wisconsin Cablevision and Radio Co. Inc	48,123	(11/84)
84.	Communicom	47,694	(1/85)
85.	United Video Management	47,679	(8/84)
86.	First Carolina Communications	47,368	(1/85)
87.	Matrix Enterprises	44,194	(1/85)
88.	Helicon Corp	42,613	(10/84)
89.	Whitney Communications Corp	42,565	(1/85)
90.	Chambers Communications Corp	42,383	(10/84)
91.	Donrey Cablevision	41,465	(1/85)
92.	Joseph Gans Cable TV	41,000	(12/84)
93.	Masada Corp	38,375	(12/84)
94.	New England Cablevision	37,198	(11/84)
95.	Marcus Communications	37,000	(2/85)
96.	Northland Communications Corp	37,000	(2/85)
97.	Combined Cable Corp	36,315	(1/85)
98.	Multivision Group	35,398	(10/84)
99.	Cable Holdings inc	33,711	(6/84)
100.	Star CATV Investment	33,449	(11/84)

Source: Subscriber counts are provided by MSOs to International Thomson Communications Inc.

Top 100 systems

Rank	Location	Operator	Basic subs	
1.	San Diego, CA	Cox Cable	253,973	(1/85)
2.	Woodbury (Long Island), NY	Cablevision Systems Development	235,000	(10/84)
3.	Manhattan, NY	ATC	206,900	(12/84)
4.	San Antonio, TX	Rogers Cablesystems	198,469	(1/85)
5.	Florida Division (Orlando/Ormond Beach)	ATC	195,700	(12/84)
6.	Houston, TX	Warner Amex Cable	181,800	(1/85)
7.	East Orange, NJ	MacLean Hunter Cable	171,017	(1/85)
8.	Honolulu, HI	ATC	156,400	(12/84)
9.	Wayne, NJ	UA Cablesystems	135,279	(1/85)
10.	Cincinnati, OH	Warner Amex Cable	129,500	(12/84)
11.	Englewood, CO	United Cable	125,000	(12/84)
12.	Audubon, NJ	New York Times	121,101	(1/85)
13.	Tulsa, OK	United Cable	118,893	(12/84)
14.	Rochester, NY	ATC	117,100	(12/84)
15.	Atlanta, GA	Prime Cable	116,023	(1/85)
16.	Baltimore County, MD	Comcast Cable	114,298	(1/85)
17.	Tidewater (Norfolk), VA	Cox Cable	112,350	(1/85)
18.	Erie County, NY	Prime Cable	112,046	(1/85)
19.	San Jose, CA	Gill Industries	106,785	(1/85)
20.	Memphis, TN	ATC	106,300	(12/84)
21.	Jacksonville, FL	Continental	105,244	(1/85)
22.	Austin, TX	ATC	102,500	(12/84
23.	Charlotte, NC	ATC	101,700	(12/84)
24.	Toledo, OH	Buckeye Cablevision	99,319	(1/85)
25.	San Juan, PR	Harris Cable	99,253	(12/84)
26.	Central Islip (Long Island), NY	Viacom	98,684	(1/85)
27.	Seattle, WA	Group W	98,174	(12/84)
28.	Manhattan, NY	Group W	95,625	(12/84)
29.	Jefferson Parish, Kenner, LA	Cox Cable	93,212	(1/85)
30.	San Diego, CA	ATC	92,100	(12/84)
31.	San Francisco, CA	Viacom	88,801	(12/84)
32.	Los Angeles, CA	Falcon Communications	88,137	(1/85)
33.	Grand Rapids, MI	General Electric	84,000	(1/85)
34.	Wilmington, DE	Rollins Cableview	84,000	(10/84)
35.	Seattle, WA	Viacom Cablevision	84,000	(1/85)
36.	Wichita, KS	Multimedia Cablevision	82,141	(1/85)
37.	Dallas, TX	Warner Amex	80,830	(12/84)
38.	Jackson, MS	ATC	80,700	(12/84)
39.	Pompano Beach, FL	American Cablesystems	76,050	(1/85)
40.	Phoenix, AZ	Times Mirror	77,509	(12/84)
41.	Baton Rouge, LA	Daniels & Associates	74,144	(1/85)
42.	Broward County, FL	Storer Cable	74,000	(1/85)
43.	New Orleans, LA	Cox Cable	73,403	(1/85)
44.	Boston, MA	Cablevision	73,000	(10/84)
45.	Pittsburgh, PA	TCI	73,000	(10/84)
46.	Richmond/Henrico County, VA	Continental	72,558	(1/85)
47.	Tacoma, WA	Independent	71,387	(1/85)
48.	Clearwater, FL	Vision Cable	71,350	(1/85)
49.	Flint, MI	Comcast	71,000	(10/84)
50.	Indianapolis, IN	Indianapolis Cablevision	70,358	(1/85)
51.	Greensboro, NC	ATC	69,200	(12/84)
52.	Santa Monica, CA	Group W	67,387	(12/84)
53.	Louisville, KY	Times Mirror	67,297	(12/84)
54.	South Bend, IN	Heritage	67,281	(1/85)
55.	Jefferson County, KY	Storer	67,000	(1/85)
56.	Cleveland Heights, OH	Viacom	66,000	(10/84)
57.	Raleigh, NC	ATC	65,800	(12/84)
58.	Omaha, NE	Cox Cable	65,680	(1/85)
59.	Nashville, TN	Viacom	65,362	(1/85)
60.	Kansas City, MO	ATC	64,800	(12/84)
61.	Columbus, OH	Warner Amex	64,500	(12/84)
62.	South Texas, TX	Heritage Communications	64,062	(1/85)
63.	Buffalo, NY	TCI	63,220	(11/84)
64.	Boston Complex (Malden), MA	Warner Amex	62,359	(12/84)
65.	St. Petersburg, FL	Group W Cable	62,261	(12/84)
66.	Fayetteville, NC	ATC	62,100	(12/84)
67.	Allentown, PA	Service Electric Cable	62,000	(12/84)
68.	Syracuse (suburbs), NY	NewChannels	61,583	(1/85)
69.	Oklahoma City, OK	Cox Cable	61,307	(1/85)
70.	Chicago Suburbs (Oak Park), IL	Cablevision Systems	61,000	(10/84)
71.	Akron, OH	Warner Amex	60,990	(12/84)
72.	Hartford, CT	Times Mirror	60,729	(1/85)
73.	Santa Barbara, CA	Cox Cable	60,313	(1/85)
74.	Birmingham, AL	ATC	59,400	(12/84)
75.	Monterey, CA	Western Communications	59,315	(11/84)
76.	Sarasota, FL	Storer	59,000	(1/85)
77.	Snohomish County, WA	Viacom	58,600	(10/84)
78.	Fort Lauderdale, FL	Selkirk	58,500	(1/85)
79.	New Britain, CT	United Cable	58,282	(12/84)
80.	Mt. Prospect, IL	Cablenet	58,257	(1/85)
81.	Las Vegas, NV	Times Mirror	58,220	(12/84)
82.	Des Moines, IA	Heritage Communications	58,166	(1/85)
83.	Harrisburg, PA	Sammons Communications	58,000	(12/84)
84.	Fort Worth, TX	Sammons Communications	58,000	(1/85)
85.	El Paso, TX	Group W	57,606	(12/84)
86.	Bridgeport, CT	Cablevision Systems/ Scripps-Howard	57,205	(1/85)
87.	Indianapolis, IN	ATC	57,100	(12/84)
88.	New Haven, CT	Storer	57,000	(12/84)
89.	Knoxville, TN	TeleScripps	56,512	(1/85)
90.	Worcester (Leicester), MA	Greater Media	56,227	(11/84)
91.	Stamford (Fairfield), CT	Cablevision Systems Development Co	55,859	(1/85)
92.	Columbus, OH	Coaxial Communications	55,748	(1/85)
93.	Shreveport, LA	ATC	55,500	(12/84)
94.	Madison, WI	Midcontinent Cable/ TCI and Independent	55,389	(10/84)
95.	Albany, GA	Storer	55,000	(12/84)
96.	Allentown, PA	Independent	55,000	(10/84)
97.	Binghamton, NY	NewChannels	54,920	(11/84)
98.	Chattanooga, IN	TeleScripps	54,867	(1/85)
99.	Westchester County (New Rochelle), NY	UA Cablesystems	54,000	(1/85)
100.	Port Arthur, TX	TCI	54,000	(12/84)

Source: Subscriber counts are provided by MSOs and individual systems.